

## **REMARKS**

The Examiner has maintained the rejection of the claims under 35 U.S.C. 102(e) in view of the reference to Barlow et al. [U.S. Patent No. 6,038,551].

The amended Claim 1 now submitted for consideration has been restricted by specifying that the sender creates the transaction message "independently of any connection to a communications network and without computer dialogue with a receiver". This further delineates the central concept of the invention which is the elimination of any possibility that any second or third party or their computer will compromise the integrity of the transaction message at any time during the process of its being created and electronically signed and sealed by the sender. Support for this added wording to Claim 1 is to be found on page 5, lines 6-8 of the original description [PCT WO 98/52151].

Reference has been made to col. 14 of Barlow et al., the most nearly relevant passage being the description in col. 14, lines 42-58 of how a financial transaction is effected using a smart card and an automatic teller machine. Lines 48-52 read: "Next, the IC card and the banking application running on the ATM exchange authentication information. The banking application then conducts a financial transaction through the API to the IC card." It is submitted that this describes prior art methods where there is back-and-forth interaction between the sender and the receiver [the bank's computer] during the creation of the transaction method and prior to its being electronically signed by the sender. Typically, conducting a financial transaction through the API [Application Program Interface] to the IC card involves back and forth communication with a computer outside the sender's complete control. This is illustrated by the flow chart shown in Figs. 7-10 of Barlow et al. where steps 158-162, steps 170-174 and steps 180-186 all appear to involve back and forth interaction with a second

or third party computer **during** the creation of the signed transaction message.  
This is contrary to the concept of the invention as defined in the now amended  
main claim.

It is respectfully submitted that the narrowing amendment to Claim 1 now  
makes the present invention patentably distinct over the cited prior art.

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